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EYES ONLY

CONFIDENTIAL

25 November 1955

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Alleged Mismanagement of the Machine Records Division

REFERENCES : (a) Memorandum for the Comptroller through the Deputy Director (Support) from the Inspector General dated 7 October 1955, subject: Mismanagement of the Machine Records Division
(b) Memorandum for Acting Comptroller from [redacted] dated 22 November 1955, subject: Report of Investigation of the Machine Records Division

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1. References (a) and (b) are attached for your review. It is assumed that subsequently you will wish to discuss the contents of reference (b) with me and it is my suggestion that at that time we include [redacted] and [redacted]

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2. In addition, I have the following comments to make at this time:

In paragraph 5 of reference (a) it is stated that there would be little reason for the memorandum from the Inspector General if only a few individuals had made criticisms and complaints. We can not reconcile this statement with the facts we have been able to uncover. As far as we can determine there is a very low percentage of complainers and only three persons actually went to the Inspector General personally. [With regard to these three, had the Inspector General first discussed their complaints with the Comptroller or Deputy Comptroller, we believe we could have provided sufficient background for the Inspector General to have concluded that an investigation was not necessary based upon these three individuals' criticisms.]

I should also like to point out that in the first paragraph the Inspector General indicates that a part of their basis for arriving at a conclusion that mismanagement exist was from having reviewed exit interviews. However, our current knowledge of the exit interviews of Comptroller employees would not have lead us

the same
to any such conclusion nor do the findings of [REDACTED] support such a conclusion from exit interviews. [We were well aware of the contents of such exit interviews and probably could have satisfied the Inspector General with respect to any of the few who registered complaints had they discussed them with either the Comptroller or the Deputy Comptroller.]

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In paragraph 2.b. of the Inspector General's memorandum, there is a statement that numerous references were made by personnel to the existence of a favored clique most of whom came from the Veterans Administration and that better positions with the highest grades go to the favored few. Prior to giving the investigation assignment to [REDACTED] [REDACTED] we reviewed promotion statistics in this regard and could find no support for this contention of promotional favoritism and as you will observe the report by [REDACTED] further substantiates our findings.

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3. Paragraphs 7 and 8 of the Inspector General's memorandum contain extremely strong recommendations but as indicated by the report of investigation of Mr. [REDACTED] and by our knowledge and review of the situation, the factors involved do not appear to support the allegations or the recommendations of the Inspector General.

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What do you mean by this?
Acting Comptroller

ATTACHMENTS (2)